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MEMORANDUM FOR THE RECORD

DATE 2/26/90

SUBJECT Agency Response to Senator Helms

FILE NUMBER

The attached draft contains the substance of a CIC response to Senator Jesse Helms on a number of espionage cases and related CI issues. SAD contributed to the final product but has no further action.

Appropriate SAD records & security files will be documented.

One OS reservation was expressed by DD/PS re language about Kronthal being looked at several times previously — was this an exaggeration. This comment was relayed to CIC/SG after the final letter was sent to the Hill.

OFFICE AND TITLE
C/SAD

SIGNATURE

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Senator David L. Boren, Chairman
Senator William S. Cohen, Vice Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510-6475

Dear Senators Boren and Cohen:

In response to your letter of January 16, 1990, I have addressed the issues raised by Senator Helms in his letter to you dated October 18, 1989.

Regarding the likelihood that CIA and the State Department have been penetrated by Soviet or other hostile intelligence services, regardless of the results of any competitive analysis, and even in the absence of clear evidence to suggest it, we must assume that to be the case. The issue of penetration of CIA in general, absent specific indicators on which to base a particular investigation, is handled via reinvestigations of employees periodically throughout their career and via other vetting procedures which include routine use of the polygraph tailored to counterintelligence issues as exemplified in the case of Sharon Scranage. More classic investigation occurs on a case-by-case basis, as you correctly note, and requires that there be some specific indicator that a compromise has taken place so that analysis might begin to determine its source. Since espionage is a clandestine activity intended not to be discovered, and since constitutional provisions prohibit monitoring the activities of American citizens who are not already of counterintelligence concern for some reason, the majority of leads to perpetrators of espionage come to our attention from defectors such as Yurchenko, sensitive sources still working in place, friendly foreign intelligence services with similar sources or as by-products of operations abroad directed against hostile intelligence services, [redacted] Virtually every such lead involving an American, whether firmly identified or not and regardless of the source of the lead information, is consistently provided to the FBI which has primary responsibility for investigating Americans and which has law enforcement authority. If the subject of a lead is active duty military, the information is also shared with the appropriate service. Within CIA skilled analysts from both the Counterintelligence

(b)(1)
(b)(3)

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Center and the Office of Security maintain close liaison in person and through correspondence with counterparts at the FBI and the counterintelligence components of State and other agencies to exchange data and compare analyses during the course of espionage research and investigations.

Concerning the five cases of "probable" espionage alleged by Senator Helms, those of James Kronthal and John Paisley were thoroughly examined on repeated occasions over the years and absolutely no evidence was ever found to substantiate the highly speculative and sensationalist media allegations to the effect that these two individuals were long-time "moles" inside the CIA. In 1979, for example, in response to suggestions from the SSCI and PFIAB to open a post mortem investigation of Paisley, the FBI reviewed all available data and concluded definitively that Paisley had made no voyages to the Soviet Union while he was a member of the Merchant Marine as had been alleged, and it fully supported CIA's own analysis in all respects. Furthermore, in the years since Kronthal's and Paisley's deaths by suicide in 1953 and 1978 respectively, no Soviet defector or other source of information on Americans recruited by the Soviet KGB ever provided lead data which might remotely pertain to Kronthal or Paisley.

The case of Karel Koecher is a different matter as he was, indeed, an agent of Czech intelligence since 1962 who was exposed in 1982 [redacted] He had been directed to gain employment on the staff of any U.S. senator or with a component of U.S. intelligence. The circumstances of his duplicity, arrest and subsequent exchange are all well known and in the public domain. (b)(1) (b)(3)

[redacted] (b)(1) (b)(3)

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Sincerely,

William H. Webster
Director of Central Intelligence

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